(c) whether it is a fact that banks are not advertising through media advertisements for such facility; and

(d) if so, what steps are being taken to publicise the instructions of RBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) RBI has advised all commercial banks to provide the facility of exchange of mutilated notes at their currency chest branches and the following facilities at all their branches;

meeting the demand for fresh/good quality notes and coins of all denominations,

exchange of soiled notes,

accepting notes and coins either for transactions or for exchange.

(c) and (d) A Citizens' Charter on the facility of exchange of notes and coins has been formulated and banks have been advised by RBI to prominently display the same in the branch premises and also widely publicise this in the newspapers so that members of public are aware of the currency exchange facilities provided by the branches. Banks have reported that they are implementing the instructions issued by RBI. During the inspection of currency chest branches of commercial banks by RBI, compliance of its instructions/guidelines about display of notice regarding the availability of such facilities is verified.

Uniform sales tax on petroleum products

2319. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is different percentage of sales tax charged by various State Governments on petroleum products and whether Central Government have received any representations from the State Governments for fixing uniform sales tax like VAT on petroleum products in the country;

(b) whether Government are seriously considering to fix uniform sales tax on petroleum products in the near future; if so, by when; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Under Entry 54 of the State

List of the Constitution, 'tax on purchase or sale of goods within a State' is a State subject. Thus, the State Sales Tax as well as State VAT (which has replaced the State Sales Tax) is a State subject. An Empowered Committee of State Finance Ministers (EC) has been constituted to decide all matters concerning Sales Tax/VAT, including the structure of rates of tax on various commodities. The EC has decided different rates for various petroleum products. Motor Spirits (including Petrol, Diesel and Aviation Turbine Fuel) are non-vatable and are subject to 20% floor rate of tax (except that the floor rate for diesel is 12.5% in case of North-Eastern States, Sikkim and J&K). States may levy taxes at rates higher than the floor rates for these items. Therefore, the rates of tax on these items vary from State to State. The rate of tax for Cooking Gas (LPG), Natural Gas, Naphtha, Lubricants, Low Sulphur Heavy Stock (LSHS) and Compressed Natural Gas (CNG) is 12.5% under VAT. PDS Kerosene is taxable @4%.

Since Sales Tax/VAT is a State subject, it is entirely for the EC and the State Governments to take a decision regarding rates on tax on various petroleum products. There is no question of the State Governments making representation to the Central Government or the Central Government deciding to fix uniform sales tax on petroleum products.

Capital investment in the villages

†2320. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that economic reforms and globalization have caused more harm and less benefit to the villages;

(b) whether it is also a fact that relative success could not be achieved in the field of capital investment in the villages despite various efforts;

(c) if so, the steps Government have taken in this regard during last three years, year-wise; and

(d) if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) The process of economic reform and globalisation has been calibrated in a manner so as to benefit villages.

The Government has recognized the need for capital investments and creation of infrastructure in villages. Some of the major initiatives during the last few years for improving the rural economy include higher allocations

†Original notice of the question was received in Hindi.